## SENATE DEMOCRATIC CAUCUS

LANSING, MICHIGAN

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## DEMOCRATS RENEW CALL FOR MI EARNED INCOME TAX CREDIT

**Working Poor Need Hope, Not Lip Service** 

LANSING- Senate Democrats renewed their call today for the creation of a state Earned Income Tax Credit (EITC) to assist Michigan's working poor. The GOP-controlled legislature continues to block even a public hearing on Senate Bill 496, introduced by Sen. Buzz Thomas (D-Detroit), which would create a state tax credit to mirror that offered by the federal government.

"An earned income tax credit is necessary for the same reason increasing the minimum wage is needed; because people who play by the rules and work hard for a living don't deserve to live in poverty," said Sen. Mark Schauer (D-Battle Creek). "If the GOP were serious about helping low-income families they would take up Sen. Thomas' bill to establish a state Earned Income Tax Credit."

According to a recent report released by the Center on Budget and Policy Priorities, Michigan is one of just five states that tax families of four with annual incomes below \$14,000. It's also one of just seven states that tax the incomes of three- or four-person families earning less than three quarters of the poverty line, or \$11,683 for a family of three and \$14,971 for a family of four.

"Requiring a family living well below the federal poverty level to pay a nearly four percent income tax on those meager earnings is unconscionable," Sen. Mickey Switalski (D-Roseville) said. "How we treat our working poor is a reflection of our values in providing a financial safety net for Michigan families. We must provide them hope."

A worker quoted in an Associated Press story on the issue noted that EITC recipients would likely use the money," for necessities - for possibly car repairs if need be, or clothes."

"Passing a state earned income tax credit would be an economic stimulus for many communities," said Sen. Buzz Thomas (D-Detroit). "We can't afford to ignore this issue any longer."